

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 317th
MEETING OF THE BOARD OF COMMISSIONERS June 26, 2008**

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on June 26, 2008 at 9:00 a.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman, David A. Duffy, Commissioners, Jeff Hirsh, Dave Gavitt, Patrick Butler, Bernie Buonanno, Paul MacDonald and Marianne Corr.

Ms. Venturini, Mr. Fowler and Mr. Nee were unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan and Kerrie Bennett, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Tim Muldoon, Deb Tuton and Nancy Beauchamp, SMG/RICC; Larry Lepore, Kym Chevian and Eleanor SanAntonio, SMG/DDC; Neil Schriever and Martha Sheridan, PWCVB; Dan McConaghy and Jennifer Lundquist, Gilbane; Eric Ahlborg, ABM; Tom Mullaney, Budget Office; Lou Aurelio, Sportservice; Bob Bromley, Senate Fiscal Office; Steve Maceroni, First Southwest; Jenna Karlin and Gary Dowdey, Local 217 and Eileen Smith, Recording Secretary. CALL TO ORDER

Recognizing a quorum, Chairman Duffy called the meeting to order at

9:05 a.m.

APPROVAL OF MINUTES

Chairman Duffy entertained a motion to accept the minutes of the 316th meeting, May, 2008. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Buonanno it was unanimously VOTED: to approve the minutes as distributed

Chairman Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail.

Mr. Duffy said that it was great to have Dave Gavitt in attendance after his long recuperation. Mr. Duffy also noted that his and Mr. Gavitt's reappointments had been approved by the Senate.

Mr. Duffy asked Mr. McCarvill to present the consolidated financial review. Mr. McCarvill reported that for the month of May the Convention Center net income was (\$90,092) to budget but \$35,750 better than the prior year. Year to date net income was positive \$259,006 to budget and positive \$471,543 to the prior year. Mr. McCarvill noted that strong event and parking revenue were offset by decreased Food & Beverage revenue. Mr. McCarvill stated that for the month of May the Dunkin' Donuts Center net income was negative \$99,317 to budget and negative \$217,021 to the prior year. Year to date net income was (\$252,883) to budget but \$627,586 better than the prior year. Mr. McCarvill noted that the Dunkin' Donuts Center's

budget is aggressive and they have done a very good job. The Convention Center was (\$125,539) to budget and (\$483,247) to the prior year. Mr. McCarvill reported that year to date net income was \$133,463 to budget and (\$11,708) to the prior year. Mr. McCarvill explained that the timing of the Authority's debt service appropriation had an effect on the financial statements for the month. Mr. McCarvill said that the Authority's net income for the year was \$16,014,795 to budget and \$74,870 to the prior year. Mr. Gavitt asked how well we are doing with parking. Mr. McCarvill responded that parking is doing well. Mr. Gavitt inquired if any additional conversations had taken place regarding parking. Mr. McCarvill said that there have been some conversations but at this time there are no opportunities to make any money because of the cost of development. Mr. Duffy noted that talks with the Procacciantis regarding development of the Fogarty building for parking have ceased because of the cost. Mr. Buonanno noted that because of rising gas prices there has been a push to encourage the use of public transportation.

AUDIT COMMITTEE

Mr. Hirsh reported that the Audit Committee had met on Tuesday. He said that there was a presentation by LGC&D explaining the role of the committee and new audit requirements. Ms. Sullivan assured the Board that the audit will be completed on time and will meet the Federal requirements and those of the Auditor General. Mr. Duffy stated that because of market conditions the Convention Center's

2001 Series A, variable rate refunding bonds are at risk. Mr. Duffy said that our financial advisors had issued an RFP for a remarketing and financial services agent. He noted that UBS is exiting the market.

Mr. McCarvill stated that someone needs to sell our bonds and because of MBIA's standing in the marketplace we are in this situation. Mr. Duffy said that the Authority has done nothing wrong. Mr. Maceroni reported that six proposals had been received. Mr. Duffy reported that at the committee meeting a vote was taken to recommend the selection of Merrill Lynch as re-marketing and financial services agent and also qualify Banc of America for the same services at the rates proposed by Merrill Lynch. Upon a motion duly made by Ms. Corr and seconded by Mr. Hirsh it was unanimously

VOTED: to approve the selection of Merrill Lynch as re-marketing and financial services agent and qualify Banc of America for the same services at the rates proposed by Merrill Lynch should the need arise.

Mr. McCarvill reported that First Southwest has prepared an RFP for a direct pay letter of credit to cover the 2001 Series A variable rate bonds resulting from the SWAP. Upon a motion duly made by Mr. Buonanno and seconded by Ms. Corr it was unanimously

VOTED: to proceed with securing direct pay letter of credit provider proposals

DUNKIN' DONUTS CENTER

Mr. Buonanno reported that the Dunkin' Donuts Center Committee had met on Tuesday. He noted that the Dunk had a great month. Mr. Lepore stated that the risers have been removed and we should realize a \$20,000-\$25,000 savings by using in-house labor and recycling the metal from the old seats and risers. Mr. Lepore said that the cleaning would be finished soon and a decision has been made to paint the cement in the isles because there is a noticeable difference between the isles and under the seats. Mr. Lepore reported that preparations are on-going for the grand re-opening. The following is a schedule of events for grand opening weekend.

Mr. Lepore stated that he is attempting to book James Taylor to perform with the Pops. Mr. Lepore also noted that the following weekend in September, Disney is booked in the building. Mr. Lepore said that New Kids on the Block will be here in November. Mr. Lepore was pleased to note that during the Summer of 2009 the Dunk will be bright for at least 10 days. He said that the sales team has been as aggressive as possible in trying to book Summer events. Mr. McConaghy distributed Gilbane's monthly report. He said that the seat demolition is complete and new seats are being installed. Mr. McConaghy noted that the hand rails will be installed next week. Mr. McConaghy stated that the painting contract will be signed next week and was pleased to report that the job will be done by a local contractor. Ms. Bennett reported that Mr. Leach had prepared a

Memorandum of Understanding for the new owners of the Blue Cross building, Berkley Investments. Ms. Bennett reported that public art project is moving forward with a new call for proposals.

MARKETING COMMITTEE

Ms. Sheridan distributed brochures for Providence Restaurant Week. She noted that 60 restaurants will be participating in the two week event. Ms. Sheridan reported that a one page sheet highlighting the buildings meeting specifications had been created that will be very helpful to prospective clients. Mr. Schriever reported on the sales activity for the month of May. Mr. Schriever stated that there were six definite bookings for the complex in May. Mr. Schriever said that the New England Society of Orthodontists visited the site prior to their meeting in September and were so impressed with the facility that they committed to return in 2013. Mr. Schriever reported that with the help of Mayor Cicilline, Americans for the Arts will occupy the Convention Center in October, 2009. Spirit of America and the Council of State Governments are two of several tentative bookings that the CVB is working to secure. Mr. Schriever reported that lead sharing is working. Mr. Duffy noted that the CVB had a good month. Mr. Muldoon reported that the Convention Center Sales staff has also been working on attracting business for the Summer months. He stated that the building is rarely dark in the Winter, therefore the best opportunity to increase revenue is in the Summer. He said that the Convention Center has been able to keep repeat trade shows and

would like the same success for Summer events.

Mr. Buonanno and Mr. MacDonald departed. The remainder of the meeting was informational only due to a lack of quorum.

Ms. Bennett reported that several firms responded to the RFP for web design. Discussions ensued regarding the matrix that was prepared by Ms. Bennett. Ms. Bennett said that more information was needed before awarding a contract. The vote was delayed until the next meeting.

CONVENTION CENTER COMMITTEE

Ms. Corr reported that the Convention Center Committee had met on Tuesday. Mr. Muldoon reported that the parking agreement with GTECH had been extended. Mr. Muldoon noted that the Convention Center was doing some updates to the emergency generator that would protect the freezer and refrigerator and the portable box offices are being replaced. Mr. Muldoon stated that both projects were included in the budget and were part of the capital plan. Mr. Duffy told Mr. Muldoon that he was pleased that there is an emphasis on Summer sales and that his efforts are appreciated.

Mr. Duffy began discussions of the VMA and asked Mr. McCarvill to update the Commissioners. Mr. McCarvill stated that the VMAF currently holds the lease for the theater which they will vacate. He

said that there will be a new lease with the Department of Administration with the same terms and conditions. Mr. McCarvill stated that the Authority will enter into a management agreement with PPAC to manage the facility for one year. Mr. McCarvill noted that we will need to create a plan and a budget for needed repairs and maintenance. Conversations ensued regarding financial expectations.

Mr. McCarvill said that we will work to break even and that we think we can do it. He said that we require approvals from the VMAF, Sage Hospitality (owner of the hotel) and the State. Mr. McCarvill reported that the VMAF would terminate the employees as of June 30 and the facility will close on July 1. Mr. McCarvill noted that as of now there is no impact on the Authority because the State still owns the building and is responsible for the bills. Mr. Duffy stated that the Authority did not seek this task but that we are willing to do it. He said that he is confident that PPAC, SMG and Johnson & Wales can turn the theater around. Ms. Corr asked about the lease. Mr. McCarvill said that we would lease from the State for \$1.00. Mr. Duffy said that the VMA staff had done some incredibly poor marketing. Mr. Gavitt said that he continues to have not great vibes over this situation. He said that the Authority has enough on its plate and that we are asking Mr. McCarvill and staff to take on another facility. Mr. Duffy thanked Mr. Gavitt for expressing his opinion but said that we need an arts and cultural center and the State thinks that we can assist. Mr. Hirsh asked what participation the hotel will have. Mr. McCarvill stated that it is a condominium situation and the hotel could have a significant impact. Ms. Corr said that the lease option

makes sense. Mr. Duffy stated that there is a lot of room for improvement.

NEW BUSINESS

Mr. Gavitt asked Mr. McCarvill to send a letter to Mr. Mesolella expressing our sympathy on the death of his daughter.

Jenna Karlin of Local 217 said that she wanted to inform the Board that contracts are in negotiations. Mr. Duffy said that he hopes everything goes well.

The meeting adjourned at 10:08 AM.